SAS

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO.16 OF 2004

Gandhi Special Tubes Ltd. ..Appellant.

V/s.

Jt. Commissioner of Income tax & Anr. ..Respondents.

Mr.S.J. Mehta for appellant.

Mr.R.Ashokan for respondents.

CORAM : F.I.REBELLO AND
J.P.DEVADHAR, JJ.

DATED : 22ND OCTOBER, 2007.

P.C. :-

The appeal was admitted on the following substantial question of law :-

> " Whether on the facts and in the circumstances of the case the appellant is liable to pay interest under section 234B and 234C of the Act for the assessment year 1997-98 ? "

2. Similar question was in issue before the Karnataka High Court in **Kwality Biscuits Ltd. V/s. Commissioner of Income Tax** reported in **243 I.T.R. 519**. The learned Bench of the Karnataka High Court has answered the issue in favour of the assessee. The

Supreme Court against that Judgment, in Civil Appeal Nos.1284 & 1285 of 2001 dismissed the appeal preferred by the revenue. In other words, the law as explained by the Karnataka High Court has now been affirmed by the Supreme Court.

3. Considering the above, in our opinion, the question of law is answered in favour of the assessee and against the revenue.

4. Appeal is disposed of accordingly.

(F.I.REBELLO, J.)

(J.P.DEVADHAR, J.)